

- BC's inflation eases to 2.3% in October
- Visitor entries hold steady in September
- Manufacturing sales flat in September

Prices

- **Consumer prices in British Columbia were up 2.3% in October compared to the same month a year earlier.** Much of the increase was due to a sharp rise in the cost of energy, primarily gasoline (+17.8%), fuel oil (+19.0%) and electricity (+6.7%). Excluding energy, inflation in the province would have been 1.4%.

The cost of food shot up 3.6%, mainly the result of higher grocery bills (+3.9%), which have been increasing since September of 2010. Meanwhile, restaurant meals also continued to climb (+2.9%).

Shelter costs were slightly higher (+0.4%), led by increases in property taxes (+2.7%), utilities (+3.5%) and home & mortgage insurance (+14.0%). However, the cost of maintaining (-0.8%) and furnishing (-1.7%) a household eased, while clothing (-1.4%) was also less expensive.

Increased prices for passenger vehicles (+2.4%) and gasoline (+17.8%) pushed the cost of transportation considerably higher (+6.0%) in October. Despite a 2.2% dip in the average cost of medicinal & pharmaceutical products, health & personal care took a bigger bite out of the household budget (+0.6%), as prices of personal care services continued to climb (+0.8%). The cost of recreational materials was lower (-0.9%), pulled down by a significant decline in home entertainment equipment, parts & services (-6.9%).

Overall, prices for non-durable goods (+5.7%) and services (+1.4%) were considerably

higher in than in October of 2010, while consumers got some relief with lower costs for durable goods (-0.7%). *Data Source: Statistics Canada*

- **Nationally, a similar picture was painted, as consumer prices rose 2.9% in October with much of the increase attributable to gasoline (+18.2%) and food (+4.3%).** Energy and food contributed to rising inflation in every province. BC (+2.3%), Ontario (+2.7%) and Saskatchewan (+2.8%) were the only provinces to post inflation levels below that of the national average. *Data Source: Statistics Canada*

The Economy

- **Manufacturing sales in British Columbia were relatively flat (+0.1%, seasonally adjusted) in September, following a 2.0% increase in the previous month.** Non-durables were off 0.4% as a result of weaker sales from producers of food (-1.0%), paper (-2.1%) and plastics & rubber (-9.8%) products. On the other hand, sales by manufacturers of durables showed more promise (+0.6%). Increased sales by the machinery (+6.1%), computer & electronic (+4.2%) and primary metals (+0.7%) industries were among those acting to offset declining shipments from wood (-3.1%) and non-metallic mineral (-1.3%) producers.

Canadian manufacturing sales climbed 2.6%, with the petroleum & coal industry (+13.7%) recording the largest increase in September. Manufacturers in Newfoundland & Labrador led the way in provincial gains, registering a 33.8% surge. However, in dollar terms, New

Did you know...

More than half (56%) of Canadian coffee drinkers say that even if price and accessibility were not a consideration, their coffee of choice would be plain brewed coffee rather than a specialty coffee such as a latte (14%), cappuccino (12%) or espresso (5%). *Source: Ipsos Canada*

Brunswick (+13.3%), Alberta (+5.9%), Quebec (+2.3%) and Ontario (+1.0%) were responsible for most of the national boost.

Data Source: Statistics Canada

- **Sales of new motor vehicles British Columbia increased 1.7% (seasonally adjusted) in September.** New motor vehicle sales in BC have been seesawing for most of 2011. Despite this volatility, sales remain higher than they were a year earlier, up 1.5% compared to September 2010.

Nation-wide, sales also accelerated (+1.5%), with seven provinces experiencing an increase. Only PEI (-4.5%), New Brunswick (-4.1%) and Manitoba (-3.7%) recorded declines. Sales of passenger cars built overseas (+1.4%) and trucks, vans & buses (+3.2%) were responsible for most of boost at the national level.

Data Source: Statistics Canada

- **The number of people receiving regular Employment Insurance (EI) benefits in British Columbia dropped 2.5% (-1,550, seasonally adjusted) in September.** Compared to the same month of last year, the number of recipients declined substantially (-28.1%, or by 23,330). The number of beneficiaries decreased in all 25 of the province's large centres (those with a population of 10,000 or more) on a year-over-year basis, with the fastest rates of decline recorded in Kamloops, Powell River and Vancouver. In Vancouver, the number of people receiving benefits fell 33.2% to 19,400, while in Victoria, it dropped by 23.8% to 2,400.

BC boasted one of the sharpest year-over-year decreases in beneficiaries in the country, behind only Alberta (-37.7%). Nationally, the number of beneficiaries fell 2.7% between August and September, with the total number of EI recipients down 20.3% from September of 2010.

Data Source: Statistics Canada

Tourism

- **Slightly more travellers entered Canada via British Columbia (+0.5%, seasonally ad-**

justed) in September. Entries from south of the border remained flat (+0.0%), as a drop-off in same-day travel (-2.3%) was offset by an increase in the number of Americans electing to stay overnight (+1.2%).

On the other hand, total entries from overseas countries were notably higher in September (+1.8%), with much of the increase coming from "other" countries (+4.5%), which includes Oceania as well as North America (excluding the US) and South America. The number of visitors from Asia (+1.1%) and Europe (+1.0%) also increased over the previous month.

Data Source: Statistics Canada & BC Stats

The Nation

- **The nation's composite leading index rose 0.2% in October, on the heels of a similar uptick in September (+0.1%).** Most of the increase can be attributed to strength in the housing index (+1.7%), while the manufacturing sector was particularly weak with new orders declining 5.5%. The stock market was also down (-2.9%), but in the retail sector, a dip in furniture & appliance sales was offset by a boost in sales of other durable goods. In the US, the leading indicator was up 0.4% last month.

Data Source: Statistics Canada

- **Canadians invested just \$718 million in foreign securities in September, a substantial slowdown from August (\$2.0 billion).**

Meanwhile, foreign investors acquired a notable number of Canadian securities, totalling \$7.4 billion. Non-residents added \$7.2 billion to their holdings of Canadian money market paper in September and \$721 million in stocks.

Data Source: Statistics Canada

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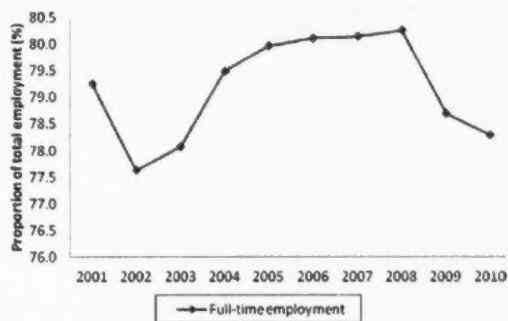
A Retrospective: A Decade of BC's Labour Market and the Impact of Educational Attainment

Ten years of labour market characteristics

BC has had an interesting decade between 2001 and 2010; the labour force (15 to 64 years of age) has enjoyed an average annual growth rate of 1.6 percent and has outpaced growth of the population of the same age—1.6 percent vs. 1.3 percent.

The number of workers employed full-time has changed substantially over the past decade. From 2001 to 2010, the number of workers employed full-time has decreased from 79.3 percent of total employment to 78.3 percent. Over the past ten years the proportion of full-time employment has only declined in three years, 2002, 2009 and 2010. The largest increase occurred in 2004.

The proportion of full-time employment has undergone considerable changes



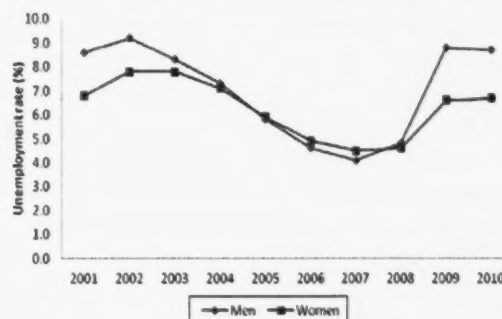
Source: Labour Force Survey
2010, Statistics Canada

The unemployment rates¹ of women and men (15 to 64 years) were considerably different in

¹ Number of unemployed persons expressed as a percentage of the labour force.

the early part of the decade—8.6 percent vs. 6.8 percent for men and women, respectively. In 2005, the unemployment rates for both men and women were declining and almost identical (5.8 percent and 5.9 percent respectively). In 2006 and 2007, men had slightly lower unemployment rates. Interestingly, during the downturn (2008 to 2010), women had lower unemployment rates and the gap between the respective rates began to widen again, increasing from 0.2 percentage points in 2008, to 2.2 percentage points in 2009; and narrowing to 2.0 percentage points in 2010.

Women and men have had similar unemployment rates until recently



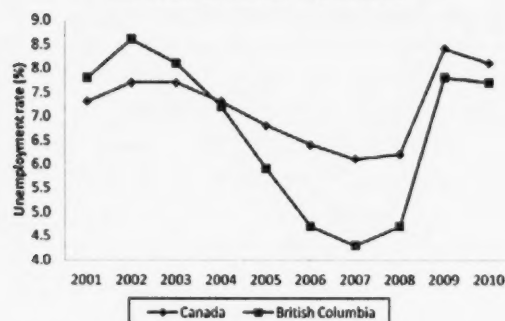
Source: Labour Force Survey
2010, Statistics Canada

Young men and women (ages 15 to 24) have also fared differently over the past ten years, in terms of unemployment rates. Females (2007 being the exception) have consistently had a lower unemployment rate compared to their male counterparts. The largest difference between the unemployment rates of young men and women in the last decade occurred in 2010 (an unemployment rate of 17.6 per-

cent for young men vs. 10.0 percent for young women).

Over the past decade, BC has had mixed results in unemployment rates compared to Canada. In the early half of the decade, (2001 to 2003), BC had higher unemployment rates than the national average. From 2004 to 2010, BC started to outperform Canada's unemployment rate. The largest disparity between the respective unemployment rates occurred in 2007 when BC's unemployment rate of 4.3 percent was 1.8 percentage points below Canada's unemployment rate (6.1 percent).

BC was below the national unemployment rate in the second half of the decade



Source: Labour Force Survey
2010, Statistics Canada

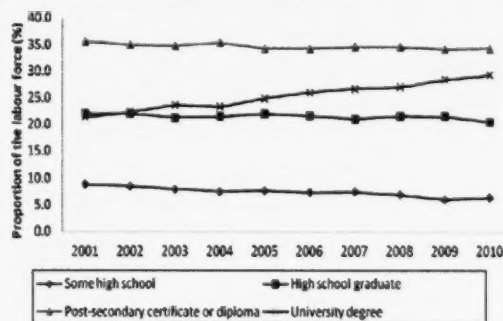
Education Matters

BC's labour market is changing and educational attainment has an impact on labour market success in terms of unemployment rates and labour force participation rates. The balance of the article, unless otherwise noted, will focus on those aged 25 and over.

The next graph demonstrates the proportion of people (aged 25 years and over) in BC's labour force by educational attainment. The proportions of participants who had some high school have been declining since 2001, when 8.8 percent of the labour force had some

high school, but in 2010, this number had dropped to 6.4 percent, a decline of 2.4 percentage points. Participants in the labour force with some high school have had an average annual growth rate of -1.8 percent from 2001 to 2010; however, there has been an average annual growth rate of 5.4 percent for people in the labour force with a university degree. Additionally, labour force participants who have attained a high school diploma or post-secondary certificate or diploma have had respective average annual growth rates of 1.0 percent and 1.4 percent.

BC's labour force is more educated than at the start of the decade

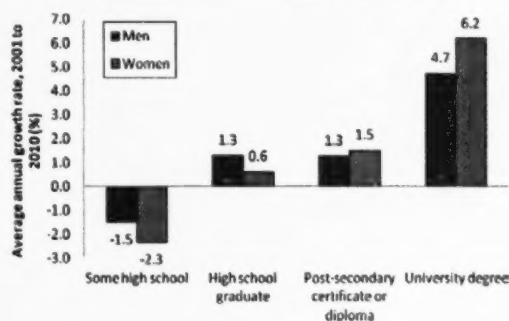


Source: Labour Force Survey
2010, Statistics Canada

From 2001 to 2010, women had larger declines in the proportion of individuals in the labour force who had some high school than men. In 2001, 7.6 percent of women in the labour force had some high school, but in 2010, this proportion fell to 5.1 percent (-2.5 percentage points). Men who had some high school in 2001, accounted for 9.9 percent of the men in the labour force. In 2010, the proportion of males who had some high school had fallen to 7.5 percent (-2.5 percentage points). The proportion of men and women in the labour force who had attained a post-secondary diploma or certificate decreased slightly from 35.4 percent and 35.7 percent,

respectively, to 34.2 percent and 34.1 percent in 2010, respectively. The decrease in labour force participants who had completed a post-secondary certificate or diploma program have been offset by the gains in the proportions of men and women in the labour force who had attained a university degree. In 2001, 21.2 percent of men and 21.6 percent of women in labour force had attained a university degree. By 2010, the proportion of men with a university degree had increased to 27.7 percent (+6.5 percentage points), and proportion of the women had increased to 30.8 percent (+9.2 percentage points).

Educational attainment for men and women in the labour force has been increasing



Source: Labour Force Survey 2010, Statistics Canada

Labour force participation rates for those individuals attaining higher levels of education over the past decade have consistently been higher than those with some high school. In 2010, those with a university degree had a participation rate of 75.7 percent; conversely, those with some high school had a 45.3 percent participation rate. High school graduates had a 63.0 percent participation rate — 8.5 percentage points less than those who attained a post-secondary certificate or diploma (71.5%).

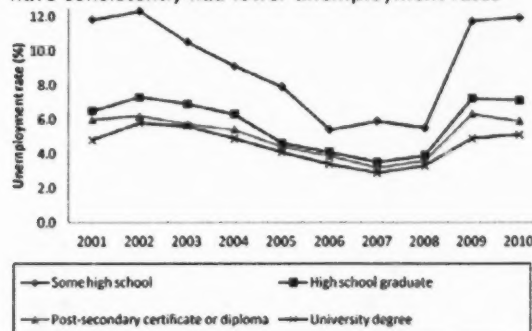
Individuals with higher educational attainment have consistently had higher participation rates



Source: Labour Force Survey 2010, Statistics Canada

For those 25 and older, education is an important factor in determining unemployment rates. People who attained a university degree have consistently had lower unemployment rates compared to those who had some high school, graduated high school or had a post-secondary certificate or diploma. In 2007, university degree holders had the lowest unemployment rate at 2.9 percent. This rate was 0.3 percentage points lower than those with a post-secondary certificate or diploma; 0.6 percentage points lower than those with a high school diploma; and 3.0 percentage points lower than those with some high school education. Similarly, the highest unemployment rate for people with a university degree occurred in 2002, at 5.8 percent which was still lower than those with a post-secondary certificate or diploma (0.4 percentage points lower), high school diploma (1.5 percentage points), and some high school (6.5 percentage points).

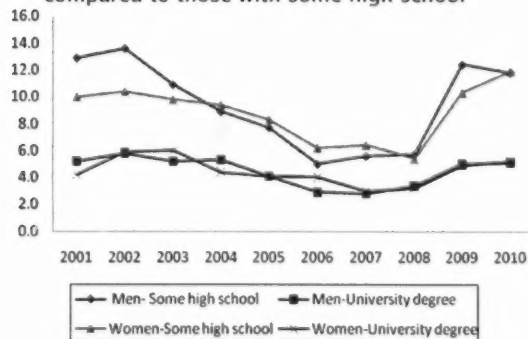
Individuals with higher educational attainment have consistently had lower unemployment rates



Source: Labour Force Survey 2010, Statistics Canada

The highest unemployment rate for women holding a university degree was 6.0 percent in 2003, while the lowest was 3.0 percent in 2007. Men's highest unemployment rate occurred in 2002 at 5.8 percent, while the lowest was 2.8 percent in 2007. Female's with some high school had their highest unemployment rate at 11.9 percent in 2010, while their lowest unemployment rate was 5.4 percent in 2008. For men of the same educational group, the highest unemployment rate of 13.6 percent occurred in 2002, conversely, the lowest unemployment rate of 5.0 percent occurred in 2006.

Both men and women with a university degree have consistently had lower unemployment rates compared to those with some high school



Source: Labour Force Survey 2010, Statistics Canada

Notably, from 2001 to 2010, of labour force participants who had attained a high school diploma or some high school, women had lower average unemployment rates when compared to men (8.8 percent and 5.5 percent versus 9.5 percent and 6.0 for men, respectively). Interestingly, women and men have the same average unemployment rates for 2001 to 2010 for workers who have attained a post-secondary certificate or diploma or attained a university degree at rates of 5.1 percent and 4.5 percent respectively.

Concluding remarks

BC's labour market is constantly changing. Over the past decade, BC has had some success with unemployment rates when compared to the national average. BC is also benefiting from increasing levels of educational attainment increasing the proportion of the labour force with post-secondary education. Educational attainment is important, as those participants who have attained higher levels of education routinely have enjoyed more positive labour market outcomes in terms of lower unemployment rates and higher participation rates.



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BC at a glance . . .

POPULATION (thousands)		% change on one year ago
BC	Jul 1/2011	
4,573.3		1.0
Canada		1.0
34,482.8		
GDP and INCOME (Released Nov 8)		% change on one year ago
(BC - at market prices)		2010
Gross Domestic Product (GDP) (\$ millions)	203,147	5.9
GDP (\$ 2002 millions)	167,140	3.0
GDP (\$ 2002 per Capita) (reflects revised pop)	36,899	1.4
Personal Disposable Income (\$ 2002 per Capita)	26,166	2.2
TRADE (\$ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Sep 2011	3,208	0.1
Merchandise Exports - Sep 2011	3,173	17.5
Retail Sales - Aug 2011	4,918	0.2
CONSUMER PRICE INDEX		12-month avg % change
(all items - Oct 2011)		one year ago
BC	2.3	2.4
Vancouver	2.1	2.3
Victoria	2.1	2.2
Canada	2.9	2.8
LABOUR FORCE (thousands)		% change on prev. month
(seasonally adjusted)		Oct 2011
Jobs Created (-Lost) - BC	-10.8	
Labour Force - BC	2,450.3	-0.6
Employed - BC	2,288.9	-0.5
Unemployed - BC	161.4	-2.9
		Sep 2011
Unemployment Rate - BC (percent)	6.6	6.7
Unemployment Rate - Canada (percent)	7.3	7.1
INTEREST RATES (percent)		Nov 16/2011
Prime Business Rate	3.00	3.00
Conventional Mortgages - 1 year	3.50	3.35
- 5 year	5.29	5.19
US-CANADA EXCHANGE RATE		Nov 16/2011
(avg. noon spot rate) Cdn \$ per US \$	1.0206	1.0207
(closing rate) US \$ per Cdn \$	0.9776	0.9763
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)		Oct 2011
BC	842.87	2.0
Canada	842.19	1.5

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics
For latest Weekly Financial Statistics see www.bankofcanada.ca

Regional Employment Projections

Updated projections of employment by industry and occupation are now available. The data offers regional detail for College Regions and Development Regions with estimates for 2010 and projections for 2015.

<http://www.bcstats.gov.bc.ca/data/lss/repn.asp>

Small Business Profile, 2011

The 2011 Edition of the annual profile of small business in British Columbia is now available. The report provides information on British Columbia's small businesses, including number of businesses, employment and small business' contribution to the provincial economy.

http://www.bcstats.gov.bc.ca/data/bus_stat/busind/sm_bus/SBP2011.pdf

High Technology Reports

The 2010 editions of BC Stats' high technology reports are now available. The *Profile of the British Columbia High Technology Sector* measures the growth and performance of B.C.'s high technology sector. The key indicators examined include GDP, revenue, employment, wages and salaries, business counts and international trade. The *Input Indicators of the British Columbia High Technology Sector* report highlights conditions that affect B.C.'s high technology sector from a supply-side perspective. The indicators cover key aspects of the educational, business, government, external and labour sectors. For both these reports, the detailed tables are also available in Excel format.

http://www.bcstats.gov.bc.ca/data/bus_stat/busind/hi_tech.asp

Released this week by BC Stats

- Consumer Price Index, October 2011

Next week

- Quarterly Regional Statistics, 3rd Quarter 2011